

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4352

ANSWERED ON:19.05.2006

FOREIGN BANKS IN RURAL AREAS

Prasad Shri Hari Kewal;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of FINANCE be pleased to state:

- (a) whether foreign banks are operating in metropolitan cities and other big cities only;
- (b) if so, the details thereof;
- (c) whether the Government has made any provision to make foreign banks operate in rural areas as well;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): Yes, Sir. Because of commercial and strategic considerations, the operations of foreign banks are relatively more concentrated in Metros and other big cities. However, in the 'Road Map for presence of foreign banks in India' issued by RBI on 28.02.2005, it is proposed, to follow a more liberal policy for allowing foreign banks opening branches in under-banked areas.

(e): Does not arise.